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NEGOTIATING APPROACH FOR AGRICULTURAL TRADE MEETINGS

AUSTRIA'S FARM MARKET IN THE YEARS AHEAD

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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Austrian cattle graze on high Alpine pastures until middle of winter, then are brought down to the farm. See page 5 for article on the Austrian farm market.

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NEGOTIATING APPROACH SUGGESTED for agricultural trade meetings

Respect for differing domestic farm programs, fair sharing in world markets, and maintenance of trade patterns are proposed as guidelines.

BY ORVILLE L. FREEMAN
Secretary of Agriculture

The Kennedy round of negotiations under the General Agreement on Tariffs and Trade will begin in Geneva in May. Agricultural trade problems, which are numerous and difficult, will be a thorny issue. Unless the member nations of GATT can agree upon a basic approach in trying to harmonize their agricultural trade differences, these import discussions may bog down and the differences go unresolved—or worse, become even greater.

In my judgment, there is a practical workable approach. It is not revolutionary. Its basis is very simple.

This approach recognizes the universal income problems of farmers and the need for nations to improve the income of their farmers. It recognizes that one country's domestic farm program will be different from another country's farm program. It respects the world's centuries-old commercial trading system and recognizes the right of all countries to participate in commercial trade and the general need for lowering barriers to the flow of commercial trade.

Further, to make the commercial trading system serve all nations better it calls for a fair sharing of markets based on long-standing practices, adjusted to new conditions resulting from the rise of the European Economic Community (EEC) and recognizing both the special problems of the EEC and the interests of third countries as well.

Elements for negotiation

Fixed import duties. These duties should be reduced substantially. If the negotiating countries adopt a general rule for reducing fixed duties that rule should cover agricultural products as well as industrial. Farm or nonfarm items too sensitive to withstand lower duties would qualify for an exception.

Variable import levies. Variable import levies, or minimum import prices, a device now widely used in the EEC and in some other European countries, should be included in the negotiations in a meaningful way. Since variable levies cannot be reduced in the same way as fixed import duties there must be an alternative negotiating approach. For grains, meats, and certain other variable fee items the market-sharing approach should be undertaken. Through negotiated trade access arrangements, both domestic producers and outside producers would share equitably in expanding markets.

Nontariff protectors of domestic price programs. For certain products quantitative restrictions or state trading sometimes impede trade. Where these barriers are used to protect farm income programs fair market-share arrangements also should be negotiated to improve access to domestic markets. Where the nontariff barrier does not perform a critical function in protecting farm income, it should be removed as quickly as possible.

These proposals are already before the world. They are, in fact, a part of the common language of trade liberalization—a language aimed at creating balance between the legitimate protection of domestic farm incomes, on the one hand, and expanded international trade in agricultural products on the other.

The EEC's plan

By contrast we have heard a great deal in recent weeks about a negotiating plan for agriculture advanced by the European Economic Community. Our knowledge of this plan is in many respects incomplete but we know enough to be concerned about its effect upon outside suppliers, such as the United States, and upon the forthcoming trade negotiations generally.

As I understand the EEC plan, it is not the kind of negotiating proposal that would make for progress. In essence, this plan seeks to turn all import duties or other import barriers on agricultural products, in all negotiating countries, into variable levies of the kind now applicable in the EEC. It would seriously alter the present system of agreements and practices worked out over many years, and replace them with a new system. It could seriously threaten markets we have served for many years.

Instead, we need the more practical approach which recognizes and respects the different kinds of farm support systems in the world and the different kinds of import barriers which protect them. It is not reasonable to expect to impose one system on all countries of the world, no matter how well that system may serve those who have devised it. We need a plan which can result in the reduction of fixed import duties, in greater access to markets, and in

the reduction or elimination of discrimination among countries where it is practiced.

The rights of third countries of access to markets have been painfully negotiated over the years. They are the starting point for further negotiations. If they are swept away, the fair and legitimate trade interests of the rest of the trading world will go with them. This must not be allowed to happen.

The approach which I have outlined starts with the world's established trading system. The fixed import duty, for example, is the most common form of protection in the world. It is still the prevalent form of protection here in the United States. We are willing to consider reducing our fixed import duties on agricultural products where we can get adequate reciprocal reductions from abroad and where our domestic situation permits a cut. We think other countries should be willing to do the same.

Market sharing

Our plan recognizes, however, that for many commodities the fixed import duty is not the principal form of protection used. Variable levies, quantitative restrictions, and state trading are different, and they require different methods. Singly or in combination, they help give the protection once required but which we now seek to reduce in these negotiations for our common good.

Nontariff barriers cannot be excluded from negotiations simply because they are not tariffs. The most sensible way to include them in the negotiations is to negotiate market-sharing arrangements for products covered by such systems. Even here I see no need for any one form of arrangement. It should fit the needs of the countries and commodity with which we are dealing. The market-sharing arrangements proposed by the United Kingdom in meats and cereals are import precedents.

The essence of each arrangement would be an assurance given by the importers to efficient outside producers that they would have the opportunity to compete with domestic producers for a fair share of the domestic market. The market share would be based upon imports in a recent representative period, and it would provide for expanded imports as the total market grows. It does not admit exclusion from markets, either by direct quotas or by adoption of domestic policies which have that effect.

For some commodities—cereals and meat and dairy products come immediately to mind—these market-share arrangements may require new multilateral agreements involving all major importers and exporters. They may cover areas of national policy not now subject to international commitments—such as support prices or noncommercial sales. They might require all the developed countries of the world to make substantial contributions to the less developed countries by way of food aid.

The core of such arrangements, however, would be the assurance given by importers to exporters that they will not be shut out of the dollar import markets through the application of restrictions at the frontier. Agricultural markets can grow as they must only if the agricultural negotiations can make progress—only as the key is found to a liberal and progressive negotiating plan.

EEC Acts To Strengthen Its Fruit and Vegetable Marketing

The Commission of the European Economic Community will soon submit to the EEC's Council of Ministers a proposal to strengthen the common organization for the marketing of fruits and vegetables. Article 3, paragraph 2 of regulation 23 for fruits and vegetables provides that by June 30, 1964, the Council shall enact Community rules for the operation of the market and commercial transactions.

On the system of interventions (restrictions on the marketing of fruits and vegetables), the experts are still at the investigation stage and have not settled on a precise formula. Two kinds of systems are possible. One is *intervention on prices*—prohibiting trade in a product when prices fall below a predetermined level; the other is *the use of standardization* for raising or lowering the volume of marketable output, according to demand.

The intervention-on-price system requires a strong market organization and perfect market "transparency"—a situation in which all goods are marketed openly. The only country in which this system would work is the Netherlands, where all growers market their produce through auctions.

Intervention by use of standardization involves tightening or loosening quality requirements in step with supply and demand. For example, if the domestic price of a product drops, the quality requirements on trade in this product would be stiffened, with the aim of cutting down the amount on the market, and thus causing the price to rise. Such a system will not work, however, unless reliable and up-to-date supply and demand estimates are available.

Because of these drawbacks, it is likely that the EEC will require several months to decide on the type of intervention system to be used.

For intervention by use of standardization to work, common quality standards must be in effect at all levels of trade. Therefore, the Commission has submitted to the Council under Article 3 of regulation 23 a draft proposal to extend the use of common quality standards for fruits and vegetables to internal trade within Member States.

Fruits and vegetables included under annex I (a) of regulation 23—cauliflowers, onions, tomatoes, apples, pears, apricots, peaches, and plums—cannot be transported and traded within the producing Member countries after April 1, 1965, unless they conform to Community quality standards. On April 1, 1966, these standards will also apply on spinach, chicory, peas, beans, carrots, artichokes, sweet oranges, clementines, mandarins, lemons, dessert grapes, cherries, and strawberries.

Standardization is to be applied so that in the case of a surplus the Commission could authorize a Member to prohibit transport and marketing of a portion of the produce identified by a quality standard, or in the case of a shortage suspend the application of a quality standard.

Exceptions would be made to the application of Community standards in internal trading for produce delivered to a grading center, bought directly from the farm and not otherwise marketed, or to be processed. Supervision will be the responsibility of the national authorities. Fines of a minimum of $20 will be imposed for serious violations.

What the Future Holds for

U.S. FARM PRODUCTS in the AUSTRIAN MARKET

Since the 1950's, Austria has been working toward a goal of maximum self-sufficiency. This trend is expected to continue in the coming years, and by 1975, Austria hopes to produce more than 90 percent of its foodstuffs domestically. Yet, that country will continue to rely heavily upon purchases of tropical products, feeds, and several other farm commodities, with the result that its agricultural imports are forecast to increase from the $283.5-million average in 1959-62 to between $329 million and $357 million in 1975.

The United States should share in this rise, even if its portion of the Austrian market remains at the low 1960-62 level of 9 percent. Based on this percentage, U.S. shipments are projected to rise from $23.5 million in 1960-62 to between $29.6 million and $32.1 million in 1975. U.S. exports to Austria likely to increase include feed grains, citrus fruits, vegetable oils, tobacco, rice, and cotton.

Feed grains in demand

The best possibility for U.S. agricultural exports lies with feed grains, which are enjoying rising demand in the Austrian market. By 1965, that country's purchases of feed grains are expected to be about double the 1960-62 average of 518,000 metric tons and by 1975, about triple this figure. Almost a third of these could come from the United States, which has supplied a large portion of the Austrian feed grain market since World War II.

Corn—which accounts for more than three-fourths of Austria's feed grains imports—is expected to rise considerably. Total Austrian takings of this product are projected to increase from 394,000 metric tons in 1960-62 to between 900,000 and 1.3 million in 1975. U.S. shipments in 1975 could be as much as 235 percent above the 1960-62 average of 124,000 metric tons.

The following table gives projected Austrian imports from all countries for 1965 and 1975, along with two projections for the United States, one based on its share in 1957-59 of 15 percent and the other on its 9-percent share in 1960-62:

Commodity	1957-59 annual average	1960-62 annual average	1965	1975
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Corn, total	348	394	750 to 800	900 to 1,300
From U.S.:				
Based on 1957-59 share	214	—	460 to 490	550 to 790
Based on 1960-62 share	—	124	240 to 255	290 to 415
All feed grains, total	476	518	1,000	1,200 to 1,600
From U.S.:				
Based on 1957-59 share	228	—	480	575 to 770
Based on 1960-62 share	—	150	290	350 to 465
Citrus fruit, total	74.3	88.6	108.0	139.5
From U.S.:				
Based on 1957-59 share	5.9	—	9.0	11.0
Based on 1960-62 share	—	3.0	3.0	4.0
Tobacco, total	10.3	9.4	10.0	11.0
From U.S.:				
Based on 1957-59 share	2.4	—	2.3	2.5
Based on 1960-62 share	—	1.7	1.8	1.9
Vegetable oils, total	45.9	48.9	[1]50.0	[1]55.0
From U.S.:				
Based on 1957-59 share	5.2	—	5.5	6.1
Based on 1960-62 share	—	3.5	3.5	3.9

[1] The projected import requirements of edible oils include vegetable and marine oils. This projection assumes that approximately one-third of total edible oil imports will be marine oils.

Though import requirements of rice and cotton have not been projected, a continued growth in Austrian demand for these products is foreseen. U.S. exports of rice to Austria during 1957-59 totaled an average of 400 metric tons, or

Cattle on the alpine pastures

Top left, tiny hay stacks in front of this Austrian home resemble small evergreens. Top right, cultivating corn.

Left, different varieties of wheat are produced on seed selection fields at the Government Institute for Plant Breeding and Seed Testing.

only about 1.4 percent of all Austrian rice imports. From this level, they rose to 700 metric tons in 1960-62, or 1.9 percent of Austria's 36,900-ton purchases. U.S. shipments of cotton to Austria have been averaging about $5 million annually, or 33,000 running bales.

Policy implications

Austria has various import controls on most farm products—from strict tariffs on dairy products and livestock and meat products to "equalization levies" on grains, bread grain, slaughter cattle, and other commodities. In addition, Austria has import control boards, and its import tenders often give priority to East European nations. This is believed necessary by the Austrian Government to insure delivery on short notice and to use up an accrued cleaning balances that may result from Austria's bilateral trade with Eastern Europe.

These controls are expected to prevent any substantial change in the pattern of Austria's agricultural imports, except for changes which would result from Austria's becoming an associate member of the Common Market.

EEC association in view

On December 15, 1961, the Austrian Government formally requested that the EEC Council begin negotiations toward some sort of participation for Austria in the Community. (Because of political considerations stemming from its position of neutrality, Austria, like Sweden and Switzerland, cannot join the EEC as a full member.)

As an associate member, Austria would be required to adjust its agricultural policies to conform with the Common Agricultural Policy (CAP) of the Community. Most of the market regulations of the EEC are compatible with the requirements of Austrian economic and agricultural growth plans, and the overall opinion is that Austria would be better off with some kind of association with the EEC.

Should Austria become linked with the Common Market, the United States would be in a third country relationship and would face the same difficulties that are currently arising in U.S.-EEC agricultural trade. Until such time, the outlook is that the United States, as a ready source of food and fiber, will probably maintain its current level of trade with Austria.

This article was adapted from Summary and Evaluation of Austria: Projected Level of Supply, Demand and Trade of Agricultural Products in 1965 and 1975," *ERS-Foreign-62. Available without charge from Office of Management Services, U.S. Dept. of Agriculture, Wash., D.C. 20250.*

U.S. Farm Exports to Japan in 1963 Set New Record

Last year Japan's imports of agricultural commodities from all sources reached a new peak, causing a corresponding boom in U.S. shipments to the Japanese market.

Japan's total imports of the 16 major agricultural commodities purchased in volume from the United States reached a record $1,213 million in 1963, in terms of c.i.f. value. This was an increase of $201 million, or 20 percent, above the 1962 level, and was 10 percent above the previous record of $1,103 million set in 1961.

Imports from the United States of these commodities in 1963 also rose to a record $612 million (c.i.f. value), up 24 percent from the $502 million imported from the United States in 1962 and 7 percent above the $498 million in 1961. Imports from other countries in 1963 were up about 15 percent from 1962.

The 16 commodities are estimated to represent approximately 50 percent of all agricultural imports (excluding forestry and marine products) and approximately 90 percent of Japan's agricultural imports from the United States. Imports of cotton, which account for more than one-third of the total value, of these 16 commodities, contributed the most significant share of increase, but many of the other items rose substantially.

Nonfat dry milk imports were up sharply—almost 50 percent—with the U.S. share of the market 97 percent compared with 91 percent in 1962. This large increase in nonfat dry milk imports was achieved in the face of mounting criticism of the use of imported nonfat in the school lunch program, and increasing pressures to substitute locally produced fresh milk.

Imports of *wheat* mounted, reflecting the year's poor harvest as well as the rising demand for wheat and wheat products. U.S. wheat supplied 93 percent of the 616,000-metric ton increase.

Japan imported a record 2,646,063 metric tons of *corn* in 1963, and purchases of *milo* were up almost 90 percent to a record 750,730 metric tons. The combined total for corn and milo reached 3.4 million metric tons compared with 2.7 million tons in 1962 and 2.0 million tons in 1961. This rapid increase in feed grain imports reflects primarily their rapidly rising use by the mixed feed industry.

The U.S. share of the Japanese corn market dropped slightly even though imports from the United States were up slightly. Much larger imports from the Union of South Africa and Thailand account for most of the larger import volume. Almost all the milo imported again came from the United States.

Raisin imports, both in total and from the United States, dropped decidedly. High local prices, along with reduced supplies from some producing areas and the late availability of the U.S. 1963 crop for export, were responsible. Imports early in 1964 are expected to be somewhat above normal because of the reduced stock in Japan at the end of last year.

A substantial increase in imports of *hog, lard, and grease* in 1963 is attributed primarily to expanded output of margarine and shortening-type products. The improvement in the U.S. share of the market—from 65 percent in 1962 to more than 80 percent in 1963—was a result of favorable prices. Reportedly, a large share of the total was hog grease, which would be considered inedible under U.S. regulations, but which after being highly refined, is used for edible purposes in Japan.

The local demand for genuine leather products again pushed imports of *hides and skins* to a new record high—143,065 metric tons. The U.S. share in 1963 was up about 1 percent to slightly more than 72 percent of the total volume imported.

Imports of *soybeans* from the United States and total soybean imports both rose to a new peak. Soybean imports from the United States in 1963 were valued at $143.5 million, and from a value standpoint this was the largest single agricultural item imported from the U.S. Soybeans exceeded slightly the $137-million import value for cotton in 1963, and were far in front of the third highest value commodity, which was wheat at slightly below $100 million.

Safflowerseed imports, all from the United States, achieved the largest relative gain of any commodity in this group. A record 195,823 metric tons were imported, an increase of almost 200 percent, or 132,604 tons, over 1962. Lower prices, particularly in relation to soybean prices, encouraged crushers to buy heavily during much of the year.

Raw *cotton* regained some of the ground lost in 1962 when heavy stock at the beginning of the year and a textile "reconcession" reduced the need to import. Last year's cotton imports were still far below the level of 1961, but stocks were not increased in 1963 as was the case in 1961 when imports were heavier. U.S. cotton retained a share of slightly over 31 percent of the total.

Tallow imports were up about 26 percent, but the U.S. share of the market dropped about 3 percent to 77 percent, even though there was a significant increase in the volume imported from the United States. Tallow consumption rose in both the food and non-food industries.

JOSEPH C. DODSON
U.S. Agricultural Attaché, Japan

Japan Retains Import Controls on Canned Meat

There appears to be little prospect for the relaxation of import restrictions on canned meat imports to Japan.

Canned meat imports are under the Foreign Fund Allocation system. Import licenses must be obtained from the Japanese Ministry of Agriculture and Forestry, and the fund allocation is made by the Ministry of International Trade and Industry.

In the past few years, Japanese imports of canned meats have been made on a global basis, and the import budget has been increased. Currently, the total allocation for canned meat is set at around $100,000 each Japanese fiscal year, beginning April 1. The import duty is 25 percent ad valorem.

The Ministry of Agriculture is stressing increased production of poultry, pork, and beef and will continue to control imports. Practically all of the canned meat brought in goes to western-type hotel and restaurant kitchens and to a few supermarkets that serve the many foreigners living in Japan. Most of these are in Tokyo.

FAS Official Cites Growing U.S. Farm Exports, Urges Greater Emphasis on Overseas Markets

G. E. Coleman, Jr., President of Nichols, Inc. (2nd from l.) receives "E" Award for firm's expansion of U.S. poultry exports. Others: (l-r) Mr. LeRoux; Senator Edmund S. Muskie; H. L. Cousins, President, Maine World Trade Council.

Frank LeRoux, General Sales Manager, Foreign Agricultural Service, addressed members of the World Trade Council, February 10th, in Portland, Maine, on the occasion of the presentation of a Presidential "E" Award to Nichols Incorporated of Brunswick, Maine. Excerpts from his speech follow.

The U.S. record of exports is impressive. Last year we led all other nations with total exports of $21.7 billion. Of these export sales, $5.6 billion were agricultural, an increase of almost $500 million over the greatest export year in our history. This did not include sales to Russia.

However, the United States exports only 4 percent of its Gross National Product. Other nations do much better. Germany has exports equal to 16.5 percent of its Gross National Product; the United Kingdom, 14 percent; France, 11.5 percent; and the Netherlands, more than 30 percent.

Only four American manufacturers out of 100 are active in the export market. The United States cannot realize its full potential in the markets of the world today until our top business officials come to realize that international markets return sales and profits just as domestic business does.

Some of the many excuses for not getting into the business of selling abroad are: "There is no market overseas for my product...Exporting is too complicated and tied up with red tape ...Exporting is too risky and not profitable...I am too small to export...I can't extend credit on acceptable terms."

It is our job to explode these myths about world trade. Many businessmen have found profitable world markets where they did not seem to exist.

We take great pride in the foreign agricultural trade promotion of the U.S. Department of Agriculture and cooperating trade groups and believe it has been an important factor in pushing agricultural exports to new records in recent years. This didn't just happen. It was done through good organization and careful planning.

U.S. exporters and the USDA set a precise direction and took positive action to build this business. We were determined to regain the markets we had lost, to maintain the ones we had, and to develop new and additional export markets for our agricultural products. To achieve this goal we geared our efforts to the quality needs of specific markets.

We have worked to help build the integrity of our suppliers and the dependability of our deliveries—backed by a consistently competitive pricing system with flexible financing terms and arrangements. We have been helping to build an aggressive and hard-hitting sales force with clearer policy guidance and have been improving the variety and quality identification of our products.

We have worked hard and successfully toward the removal of some of the many trade barriers we encounter. We have improved our foreign merchandising programs and have made good progress in the development of better Government and private trade team play.

The USDA has developed a market intelligence system second to none, reaching into every corner of the globe —and also a system to bring about faster Government decisions. We have been making a yearly World Food Survey so as to properly determine at all times the exact potentials in all countries and it has paid off.

We have coordinated a close working relationship between all of our programs whether for cash, credit, barter, donation, or soft currencies. In calendar 1963, 71 percent of U.S. agricultural exports were for dollars and 29 percent moved under Food for Peace Programs.

Except for rare government-to-government sales, all sales made, whether from open market stocks or from Government-held supplies were made through private trade channels. Government's principal role is one of cooperation and assistance in all areas where we can help maximize exports.

Aggressive U.S. export program

We expect agricultural exports for fiscal 1964 will tally $6 billion—nearly a billion dollars more than in fiscal 1963. Some of this will result from crop failures in Communist countries, but the new gains made from an aggressive U.S. export program are easily discernible.

We realize that farmers benefit most from these agricultural exports because it means more sales of their products. But all Americans benefit as well.

Farm exports create many jobs. An estimated 1 million farm workers produce for export, and another 800,000 workers are needed to store, transport, process, and finance these exports.

These impressive foreign sales gains would not have been made if we had sat back and waited for customers to come calling. We worked hard for this progress.

A good example is the recent rice promotion campaign in the United Kingdom. U.K. imports of U.S. rice were running about 9,000 metric tons annually when an intensive promotion campaign was begun by the USDA and the U.S. Rice Export Development Association, Inc. Sales have climbed steadily. Imports of U.S. rice in fiscal 1963 were 43,831 metric tons —nearly a fivefold increase over pre-promotion levels.

Market promotion brought a steady increase in sales of U.S. soybean oil to Iran. From exports of 14 million pounds in the 1960-61 crop year, shipments increased to 37 million pounds in 1961-62 and to 69 million pounds in 1962-63. Iran is now the second largest dollar market for American soybean oil, and its purchases are still continuing to increase.

First steps to exporting

There is a market abroad for nearly everything produced in America. We simply have to go after that market.

But that's merely the beginning. After you have decided to take the first step—determining the extent and exact locations of overseas markets for your products—you are still a long way from making the first sale.

You must size up your chances of success in the market, decide whether you will sell direct or through an agent, gear your production to handle foreign orders, and plan your foreign advertising to fit local conditions. The government provides many export services that will help you get started.

Through the U.S. Departments of Commerce and Agriculture, and through your commodity organizations, you can obtain trade lists, overseas trade and investment opportunities, news of visiting buyers, and foreign trade regulations. They can help you set up or take part in trade missions abroad, participate in exhibitions at trade fairs and trade centers, or even give you credit ratings of potential customers. But the initiative to export must come from you.

U.S. Exhibit in Verona, Italy To Feature Rodeo Theme

The rodeo — considered typically American by most Europeans—will be the theme of U.S. agriculture's exhibit at the 66th Verona International Agricultural Fair in Verona, Italy, March 8-16. The Fair is considered the most important in Southern Europe, and is one of the oldest on the Continent.

Expected to draw large numbers to the 6,000 square foot-U.S. exhibit is a theme theatre which will feature a 3-minute rodeo film, plus shorts on U.S. farm trade and various commodities. The theatre holds up to 500 persons at each showing. Around a rodeo ring mockup, these U.S. cooperating groups will display and demonstrate their specialty products: U.S. Feed Grains Council, National Renderers Association, Soybean Council of America, and the Florida Citrus Commission.

Another key attraction will be a conference on cattle feeding on March 13 to be held by the Feed Grains Council, in cooperation with National Renderers and the Soybean Council. This will be attended by European feed manufacturers, nutritionists, importers, and agricultural leaders.

Hawaiian Chef To Prepare U.S. Fruit at Tokyo Show

The President of the Hawaiian Chefs' Association, Mr. Fred Adler, will participate in the fruit demonstration at the U.S. Fruit and Vegetable Show to be held at the Tokyo Trade Center, March 18-27, according to a report from the U.S. Agricultural Attaché in Tokyo. Mr. Adler's services have been made available without charge by the Hilton Hawaiian Village Hotel, Honolulu, where he is Executive Chef.

During special morning programs planned for the show, Mr. Adler will prepare dishes using the U.S. canned, fresh, and dried fruits on display in the main exhibit area at the Center. Recipes used by Mr. Adler will be included in a Japanese-language brochure for distribution.

Fifteen U.S. firms and trade associations will participate in the Fruit and Vegetable Show, expected to draw some 3,000 persons from select buyer and consumer groups. These firms have been added to participants listed in the December 16 issue of *Foreign Agriculture:* S & W Fine Foods, Keerdijk Trading Co., Jack Gomperts and Co., and Dole Corporation.

U.S.-Style Foods Star at Tokyo Food Show

Pancakes were served hot from the griddle at the American Snack Corner during the International Food Show at Tokyo's Takashimaya Department Store earlier this month. Sponsors of the Corner—which also served hamburgers, hotdogs, and fried drumsticks—were Wheat Associates, U.S. Feed Grains Council, and Institute of American Poultry Industries.

U.S. Dairy Cattle Promotion Winds Up Big Year With 1963 Overseas Sales at an Alltime Record

Market development is credited with a key role in pushing U.S. dairy cattle sales to a record $4.5 million in 1963—$125,000 more than the previous high reached in 1961 when Cuba stepped up purchases before the embargo. The number of cattle exported in 1963 totaled nearly 13,000. Value per head, at $400, rose for the fourth consecutive year, indicating a steady improvement in the quality of U.S. cattle sold abroad.

Cooperators in overseas market development were these members of the Purebred Dairy Cattle Association: American Jersey Cattle Club, Holstein-Friesian Association of America, Brown Swiss Cattle Breeders' Association, American Gurnsey Cattle Club, and Ayrshire Breeders' Association.

Primary aim of the 1963 promotion program was to maintain and increase exports to established markets for U.S. cattle in Central and South America. This goal was met, with sales to these areas about 28 percent greater than in 1962. At the same time, higher priority than in the past was given to cultivating new markets for U.S. cattle in the Far East and Europe, which accounted for 10 percent of total sales. The value per head of cattle exported to these markets was more than $300 over the average for all U.S. cattle exports.

In Latin America, promotion followed the pattern proven successful over the years of extending the maximum in customer service. To help importing countries upgrade herds, U.S. dairy specialists inspected and classified U.S. breeds and judged cattle at international livestock exhibitions. During 1963, specialists went to Mexico, Venezuela, Guatemala, Peru, Ecuador, Chile, Nicaragua, and El Salvador.

This approach brought U.S. exporters in contact with prospective buyers as well. At the Valencia Fair in Venezuela last March, for example, two members of the Brown Swiss Association arranged a $25,000 sale. For the first time in dairy market development it was demonstrated that sizable sales could be made on-the-spot if the exporters went to the foreign market with price lists, pedigrees, and performance records, and photographs showing their typical breeding stock.

In another "first" for dairy promotion, arrangements were completed in 1963 whereby the Foreign Credit Insurance Association will finance up to 85 percent of a foreign purchase of U.S. cattle. This resulted in an immediate sale of 400 Holsteins to Mexico in November.

A long-needed promotion tool was introduced in October at the Pan American Livestock Exposition in Dallas, Texas, which drew important cattle interests from all over Latin America. This was a Spanish language guide to importing U.S. cattle, giving specifics about livestock insurance, credit, shipping rates, and procedures for contacting members of U.S. breed associations. So numerous were the requests for additional copies that the brochure was reprinted in a more complete version for distribution throughout Latin America.

Outside of Latin America, U.S. dairy promotion in 1963 helped bring about expanded sales to Japan and the Philippines, which together took over 250 head compared with only 13 the year before. Following a series of market development trips to Spain, that country purchased its biggest shipment of U.S. cattle to date. Market development also broke ground for future sales of U.S. cattle to Portugal, Italy, Morocco, and the Azores.

Reports on market development activities in 1963 for other U.S. commodities will be carried in succeeding issues.

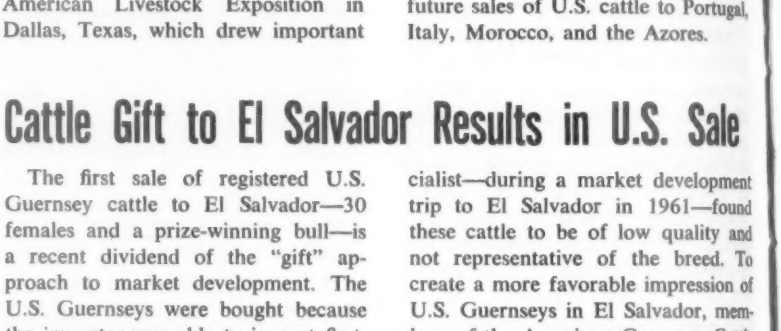
Cattle Gift to El Salvador Results in U.S. Sale

The first sale of registered U.S. Guernsey cattle to El Salvador—30 females and a prize-winning bull—is a recent dividend of the "gift" approach to market development. The U.S. Guernseys were bought because the importer was able to inspect firsthand the registered animals donated to El Salvador's National Agriculture School by the American Guernsey Cattle Club.

For some years the school had kept a few Guernseys for training purposes. However, a USDA dairy specialist—during a market development trip to El Salvador in 1961—found these cattle to be of low quality and not representative of the breed. To create a more favorable impression of U.S. Guernseys in El Salvador, members of the American Guernsey Cattle Club that year gave the Agriculture School four registered heifers.

Since many of the country's future dairy farmers will be graduates of the school, it is expected the donation will continue to promote sales of registered U.S. Guernseys.

Unloading U.S. dairy cattle at El Salvador



Canada Permits Import Exemptions on Dairy Items

Dairy items, which are under stringent imports controls by the Customs and Excise Division of the Canadian Department of National Revenue, have been liberalized to allow limited importation of some controlled products for personal and noncommercial use. Under the new regulations butter, Cheddar cheese, Colby cheese, and dried skimmed milk may be imported for personal use of the importer, with each importation not exceeding $5 in value.

The Customs and Excise Division stated that there is no intent to control imports of products labeled and sold as powdered cream, baby food, and similar products.

Dutch Exports of Canned Milk Down

Exports of condensed milk from the Netherlands during January-November 1963, at 615 million pounds, were just under those for the comparable 1962 period.

Asiatic countries accounted for more than half of total shipments. Thailand continued as the leading outlet, though its purchases were down slightly from 95 million pounds to 94 million. Malaya and the Philippine Republic, next in order of importance, took 67 million pounds and 51 million pounds, respectively. Purchases by Hong Kong increased 3 percent to 36 million pounds, while those by Burma dropped 15 percent to 28 million.

Shipments to Western European countries totaled 80 million pounds, of which 35 million went to Greece.

Exports of dry whole milk declined 14 percent to 58 million pounds, and those to Venezuela, the major market, fell 3 million to 14 million. Shipments to the United Kingdom dropped from 7 million pounds to less than 1 million. Other traditional markets making smaller purchases in this period were Ceylon and Taiwan.

Brazil Bans Exports of Oilseeds and Products

The Brazilian Government issued a resolution on January 23, 1964, banning among other commodities, exports of soybeans, of peanuts and their derivatives, and of oil, cake, and other cottonseed byproducts. This action was taken because of the long drought which has devastated farm production in Central Brazil and has resulted in serious reductions of supplies for main consumer centers. Hardest hit were the States of São Paulo, and Minas Gerais.

U.S. Olive Oil Imports Drop Sharply

Olive oil imports into the United States during 1963 totaled only 16,794 short tons, down more than two-fifths from 1962 and more than one-third from the 1955-59 average.

The decline, reflecting a sharp reduction in takings from the main suppliers—Spain, Italy, Greece, and Tunisia—probably came about because of the short Mediterranean Basin outturn in 1962-63 and the subsequent rise in olive oil prices. Also, some American buyers were reluctant to build up stocks, apparently because they anticipated a bumper 1963-64 crop and a resulting drop in price. U.S. production of olive oil, estimated at only 1,000 short tons in 1963, accounted for only a small proportion of total domestic consumption.

Major sources for U.S. imports of edible olive oil together with their percentages of the total for 1963, with 1962 figures in parentheses ,were Spain 47 (50), Italy 33 (29), Greece 9 (6), Tunisia 6 (8), and Argentina 3 (1).

U.S. imports of inedible olive oil in 1963 continued to be of minor importance.

UNITED STATES: IMPORTS OF OLIVE OIL, EDIBLE AND INEDIBLE, 1963, WITH COMPARISONS

Type of oil and country of origin	Average 1955-59	1961[1]	1962[1]	1963[1]
Edible:	*Tons*	*Tons*	*Tons*	*Tons*
Algeria	706	—	22	—
Argentina	477	394	164	492
France	619	123	148	124
Greece	1,708	75	1,799	1,444
Italy	7,585	7,595	8,286	5,483
Lebanon	13	—	([2])	—
Morocco	613	—	55	—
Portugal	49	98	193	79
Spain	9,237	19,861	14,270	7,720
Tunisia	4,710	1,229	2,396	913
Turkey	1	22	1,429	114
Others	189	([2])	1	74
Total	25,304	29,397	28,763	16,443
Inedible:				
Algeria	18	—	—	164
Argentina	8	—	—	—
France	1	—	—	—
Greece	10	—	3	87
Italy	7	—	—	24
Lebanon	6	—	—	—
Portugal	304	42	100	—
Spain	41	111	19	76
Tunisia	38	—	5	—
Others	3	—	—	—
Total	436	153	127	351
Total oil	25,740	29,550	28,890	16,794

[1] Preliminary. [2] Less than ½ ton.
Department of Commerce.

Indonesia's Exports of Copra, Palm Products

Registered exports of copra from Indonesia in January-September 1963, at 85,933 long tons, were over one-third greater than the 61,219 tons shipped in the same period of 1962. According to unofficial sources, the level of registered copra shipments from Indonesia in October and November slumped to only 512 tons, after legal trade with Malaysia ceased in late September 1963 (*Foreign Agriculture*, Oct. 21, 1963).

January-September exports of palm oil were up one-fifth in 1963 to 86,844 short tons from 70,698 in 1962. Exports of palm kernels were somewhat lower at 23,881 tons compared with 24,937 in 1962.

U.S. Imports of Palm and Palm Kernel Oils

U.S. imports of palm oil in 1963, at 11,764 short tons, were a third less than the 17,764 imported in 1962. Imports from the Republic of the Congo, traditionally the major U.S. supplier, declined 15 percent, while those from In-

donesia, the leading supplier in 1961 and 1962, dropped by almost two-thirds.

U.S. palm kernel oil imports in 1963, at 41,740 tons, were slightly less than in 1962. Declines in palm kernel oil shipments from the Republic of the Congo were largely offset by increased imports from Europe, particularly the United Kingdom and the Netherlands.

U.S. PALM OIL AND PALM KERNEL OIL IMPORTS, AVERAGE 1955-59, ANNUAL 1961-63

Item and origin	Average 1955-59	1961	1962[1]	1963[1]
PALM OIL	*Tons*	*Tons*	*Tons*	*Tons*
Canada	1	1	—	2
Mexico	18	—	—	—
Belgium-Luxembourg	119	18	144	160
Netherlands	1	—	63	—
United Kingdom	159	—	—	—
Congo, Republic of	14,822	11,755	7,167	6,116
Nigeria	111	—	2,115	2,641
Indonesia	1,144	15,009	8,056	2,845
Malaya	172	—	—	—
Others	—	1,221	219	—
Total	16,547	28,004	17,764	11,764
PALM KERNEL OIL[2]				
Belgium-Luxembourg	69	220	—	—
Denmark	4	8	41	653
Germany, West	—	6,338	4,085	1,686
Netherlands	3,091	6,201	8,022	10,778
United Kingdom	1,980	561	5,882	8,887
Congo, Republic of	20,669	28,156	21,190	17,557
Others	43	560	[3]2,878	[4]2,179
Total	25,856	42,044	42,098	41,740

[1] Preliminary. [2] Crude and refined. [3] From Japan. [4] 1,824 tons from Japan.
Department of Commerce.

Philippine Desiccated Coconut Exports

Registered shipments of desiccated coconut from the Philippine Republic in 1963 totaled 73,657 short tons, an increase of 12 percent from those of the previous year. Shipments to the United States were up by 10 percent, and those to Canada, Western Europe, and Australia rose.

DESICCATED COCONUT: PHILIPPINE EXPORTS, 1961-63

Destination	1961	1962	1963[1]
North America:	*Short tons*	*Short tons*	*Short tons*
United States:[2]			
Atlantic Coast	44,701	41,490	44,195
Pacific Coast	9,758	9,902	11,054
Total	58,815	57,123	60,955
Canada	523	1,062	3,048
Total North America	59,338	58,185	64,003
South America	30	130	106
Europe:			
Denmark	67	320	636
Germany, West	1,452	1,674	2,639
Netherlands	172	363	568
Spain	358	203	145
United Kingdom	244	549	95
Other	215[3]	889[4]	1,239
Total	2,508	3,998	5,322
Africa	87	177	87
Asia	73	272	336
Oceania:			
Australia	967	2,762	3,549
New Zealand	98	391	254
Total	1,065	3,153	3,803
Grand total	63,101	65,915	73,657

[1] Preliminary. [2] Includes Gulf Coast, Great Lake ports, Hawaii, and Puerto Rico. [3] 25 tons to United Kingdom/Germany optional discharge. [4] 54 tons to Netherlands/Germany optional discharge.
Philippine Trade Sources.

U.S. Castorbean and Oil Imports Down Sharply

U.S. imports of castorbeans and castor oil in 1963 totaled about 50,000 tons, oil equivalent basis. This was 13 percent less than imports in 1962 and the smallest tonnage purchased since 1958.

Imports of castorbeans, at 2,529 tons, were only one-fourth those of 1962. Ecuador has been the major source of supply in recent years, since both India and Brazil crush virtually their entire production domestically. Imports of castor oil, at 48,780 tons, were 8 percent less than a year earlier. About 90 percent came from Brazil and most of the remainder from Japan. Only negligible quantities have come from India in the last 3 years, in contrast to almost 25,000 tons in 1960.

Sales of castor oil from the U.S. Government stockpile of 221.7 million pounds have totaled 34.8 million pounds (14.4 million in 1962 and 20.4 million in 1963) since the first offerings for sale on August 15, 1962. Consequently, of the original 155.7 million pounds authorized for sale, 120.9 million remain to be sold.

U.S. production of castorbeans in 1963 was expected to approximate 37,000 tons, or more than double the previous year's outturn.

U.S. IMPORTS OF CASTORBEANS AND CASTOR OIL AVERAGE 1955-59, ANNUAL 1961-63

Item and origin	Average 1955-59	1961	1962[1]	1963[1]
CASTORBEANS				
North America:	*Tons*	*Tons*	*Tons*	*Tons*
El Salvador	33	—	—	—
Haiti	1,518	63	1,889	730
Other	24	([2])	28	—
Total	1,575	63	1,917	730
South America:				
Argentina	22	—	—	—
Brazil	16,505	—	—	—
Ecuador	1,931	1,975	7,835	1,798
Paraguay	273	—	335	—
Total	18,731	1,975	8,170	1,798
Europe	([2])	—	([2])	1
Asia: Iran	44	—	—	—
Grand total	20,350	2,038	10,087	2,529
CASTOR OIL				
North America	13	—	—	—
South America:				
Argentina	445	220	—	—
Brazil	28,639	55,532	44,497	43,674
Other	207	—	121	—
Total	29,291	55,752	44,618	43,674
Europe:				
Germany, West	1,674	335	3,060	331
Other	378	[3]1,375	[3]1,277	—
Total	2,052	1,710	4,337	331
Africa	1,479	1,238	326	546
Asia:				
India	17,645	—	218	17
Japan	65	578	3,308	4,212
Total	17,710	578	3,526	4,229
Grand total	50,545	59,278	52,807	48,780

[1] Preliminary. [2] Less than ½ ton. [3] All from Yugoslavia.
Department of Commerce.

Philippine Exports of Copra, Coconut Oil

Recorded copra and coconut oil shipments from the Philippine Republic in January, as compiled from monthly data on registered shipments, totaled 69,405 and 12,864

long tons, respectively. Exports in January 1963 amounted to 70,650 tons of copra and 18,839 of coconut oil.

Australian Meat Moves to the U.S.

Six ships left Australia during the third and fourth weeks of January with 12,080,320 pounds of beef, 3,514,560 pounds of mutton and 38,080 pounds of lamb for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern and Gulf Ports			*Pounds*
Pioneer Star, Jan. 14	Charleston	Feb. 15	Beef	67,200
			Mutton	100,800
	Boston	19	Beef	33,600
	New York	21	Beef	246,400
			Mutton	33,600
	Philadelphia	23	Beef	33,600
	Baltimore	25	Beef	100,800
			Mutton	100,800
Pioneer Surf, Jan. 21	Charleston	22	Beef	8,960
			Mutton	33,600
	Boston	26	Beef	67,200
	New York	28	Beef	163,520
	Baltimore	Mar. 3	Beef	235,200
Port Alfred, Jan. 23	Charleston	Feb. 22	Beef	629,440
			Mutton	414,400
	Norfolk	25	Beef	510,720
			Mutton	168,000
	Philadelphia	27	Beef	436,800
			Mutton	427,840
	Boston	29	Beef	631,680
			Mutton	358,400
	New York	Mar. 3	Beef	4,771,200
			Mutton	934,080
Baltic Sea, Jan. 24	Charleston	Feb. 19	Beef	181,440
			Mutton	134,400
	Philadelphia	22	Beef	374,080
			Mutton	134,400
			Lamb	31,360
	New York	23	Beef	2,882,880
			Mutton	439,040
			Lamb	6,720
	Boston	Mar. 1	Beef	217,280
			Mutton	134,400
Vingaland, Jan. 24	New Orleans	18	Beef	78,400
			Mutton	33,600
	Houston	23	Beef	313,600
			Mutton	67,200
	Western ports			
Oronsay, Jan. 23	San Francisco	Feb. 11	Beef	51,520
	Los Angeles	13	Beef	44,800

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sales.

Burma's Foreign Rice Sales Again at High Level

Burma's government-to-government sales of the 1963-64 rice crop in early February were again near the high level of the preceding 2 years—approximately 1.5 million metric tons. The new agreements are for delivery in 1964. Data from various sources show that milled rice sales in the first week of February 1964, including old-crop, exceeded 1.5 million tons. Leading customers were Indonesia, 320,000 tons; Ceylon, 250,000; Pakistan, 200,000; Philippine Republic, 120,000; Communist China (for Cuba and for Ceylon), 100,000; and Mauritius, 45,000.

The 1963 calendar-year exports of rice and rice products from the 1962-63 crop, at 11,713,000 tons were only 35,000 below the 1,748,000 in 1962. These figures included about 50,000 tons of bran.

Over 80 percent of the 1963 exports went to the world's principal importers in Asia. For the second year, exports to Communist countries were sharply above the average. But shipments to Europe and the Near East were negligible.

Published trade data giving exports by country of destination for January through October 1963 show that of the 1,581,000 tons exported, 1,273,000 went to Asian countries. Indonesia took 324,200; Ceylon, 283,500; Pakistan, 220,200; India, 173,800; the Philippines, 119,800; Malaya, 114,800; and others, 36,700.

Exports to the Communist Bloc in the 10 months totaled 183,300 tons, as follows: The USSR, 76,700; Cuba, 60,900; Yugoslavia, 27,300; and Poland 18,000.

In December, the Union of Burma's Agricultural Marketing Board had a 236,000-ton carryover of rice (milled basis) from the 1962-63 crop. Data on stocks held by millers, wholesalers, retailers, and any other were not available. On the same date a year earlier, virtually no exportable stocks were carried over from the previous crop.

South Africa Sets Minimum Export Prices on Fruit

The London trade press reports that South African canners on January 20, 1964, put into effect a "voluntary export marketing scheme" on shipments of deciduous fruits in consumer-sized cans to the United Kingdom. The scheme sets minimum export prices as well as minimum purchases and quantity discounts; however, it makes no allowances for advertising or promotion.

As far as is now known, the scheme has no legislative backing from the South African Government.

SOUTH AFRICAN MINIMUM EXPORT PRICES FOR CANNED FRUIT

Type and style	Minimum export price c.i.f. U.K. ports			
	Can size	Fancy	Choice	Standard
		U.S. dol. per dozen	*U.S. dol. per dozen*	*U.S. dol. per dozen*
Apricots:				
Halves	2½	3.12	2.90	2.76
Halves	1	1.82	1.72	1.64
Halves	8 oz.	1.26	1.22	1.19
Peaches:				
Clingstone				
Halves	2½	3.08	2.94	2.80
Halves	1	1.92	1.86	1.78
Halves	8 oz.	1.26	1.22	1.19
Slices	2½	3.15	3.01	2.87
Slices	1	1.96	1.89	1.82
Slices	8 oz.	1.26	1.22	1.19
Freestone				
Halves and slices	2½	[1]	2.73	2.52
Halves and slices	1	[1]	1.68	1.61
Pears (Bon Chretien):				
Halves	2½	3.36	3.22	3.08
Halves	1	2.06	2.00	1.92
Halves	8 oz.	1.30	1.26	1.22
Quarters	2½	[1]	3.15	3.01
Quarters	1	[1]	1.92	1.86
Quarters	8 oz.	1.30	1.26	1.22
Fruit salad:				
	2½	4.34	4.20	4.06
	1	2.52	2.45	2.38
Fruit cocktail:				
	2½	3.78	3.64	3.50
	1	2.38	2.31	2.24

[1] Not quoted.

France's Walnut Crop Reduced Slightly

The 1963 commercial walnut crop in France, estimated at 30,000 short tons unshelled, is lower than expected and also below the 1962 crop. Average 1956-60 production was 21,100 tons.

Heavy rainfall during the summer delayed harvesting by 3 to 4 weeks and apparently resulted in somewhat

heavier drying losses than were anticipated earlier. The nuts from the 1963 crop, however, are reported to be generally larger than those of 1962, and average quality is said to be good.

Commercial production in the Bordeaux area is estimated at 24,000 tons, about the same as in 1962. In the Grenoble area, it is estimated at 6,000 tons, down from the exceptionally good 1962 crop of 7,000.

Despite the delayed harvest, France's exports of walnuts during the first 2 months of the 1963-64 season are running 20 percent ahead of the 1962-63 season. This increase has been attributed largely to the small Italian crop and the consequent reduced competition in export markets. Total exports during the 1963-64 season are expected to be slightly less than last year's 17,542 tons, unshelled basis.

Prices for the 1963 crop of walnuts averaged well above a year earlier owing to the strong export demand. Bordeaux light halves have been quoted at 95.3 cents per pound f.o.b. France. Unshelled walnuts have been quoted f.o.b as follows:

	Cents per pound
Cornes (extra), 27 mm and up	28.1-29.9
Marbots (extra), 28 mm and up	29.9-31.8
Other Bordeaux varieties	27.2-28.1
Grenoble varieties	30.8

WALNUTS, UNSHELLED BASIS: FRANCE, SUPPLY AND DISTRIBUTION, 1961-63 MARKETING SEASONS

Item	1961	1962	Estimated 1962
	Short tons	*Short tons*	*Short tons*
Beginning stocks, October 1	-----	-----	-----
Production, commercial	20,400	31,000	30,000
Imports	200	-----	200
Total supply	20,600	31,000	30,200
Exports	12,100	17,500	16,700
Domestic disappearance	8,500	13,500	13,500
Ending stocks, September 30	-----	-----	-----
Total distribution	20,600	31,000	30,200

FRANCE'S EXPORTS OF WALNUTS, 1962 SEASON[1]

Destination	Unshelled	Shelled
	Short tons	*Short tons*
United States	—	211
Belgium-Luxembourg	433	129
Denmark	216	44
Germany, West	7,519	348
Netherlands	292	156
Norway	376	31
Sweden	365	122
Switzerland	713	204
United Kingdom	699	1,015
Algeria	809	24
Others	146	106
Total 1962-63	11,568	2,390
Total 1961-62	7,788	1,734
First 2 months 1962-63	7,558	392
First 2 months 1963-64	9,065	395

[1] Beginning October.

Spain Sets Import Quotas on Fruits and Vegetables

The Spanish Ministry of Commerce recently issued a list of global import quotas for agricultural commodities. The fruit and vegetable items on the list, with their annual value of the quota, are as follows: Hops, $440,000; canned fruits, $300,000; canned baby foods, $50,000; and dried soup mixes, $50,000.

Global import quotas are announced every 6 months.

Canned Fruit and Juice Prices in Netherlands

Importer's selling prices in the Netherlands (import duties and taxes paid) for selected canned fruit and juices in January and October 1963 and January 1964 are compared as follows:

Type and quality	Size of can	Price per dozen units: January 1963	October 1963	January 1964	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Halves, choice	8 oz.	1.96	1.96	2.02	U.S.
Halves, choice	2½	4.14	3.88	3.88	Greece
Halves, choice	2½	(1)	3.81	3.81	S. Africa
Peaches:					
Halves, choice	2½	3.98	4.31	4.51	U.S.
Halves, white	2½	(1)	5.57	5.57	Japan
Slices, standard	15½ oz.	(1)	2.35	2.45	S. Africa
Fruit cocktail:					
Choice	2½	4.38	5.44	5.40	U.S.
Choice	303	2.88	3.25	3.38	U.S.
Fruit salad	2½	(1)	2.98	2.82	Spain
Pears:					
Halves, standard	303	2.49	2.49	2.59	U.S.
Mandarin oranges:					
Fancy, small	11 oz.	2.65	2.78	2.82	Japan
Pineapple: Pieces	20 oz.	2.29	2.32	2.32	Taiwan
CANNED JUICE					
Orange, unsweetened	2	2.06	2.65	2.65	U.S.
Orange, unsweetened	2	(1)	2.32	2.42	Greece
Orange, unsweetened	2	(1)	(1)	2.42	Israel
Grapefruit, sweetened	46 oz.	(1)	5.47	5.64	U.S.
Pineapple, fancy	2	1.72	1.96	2.06	U.S.

[1] Not quoted.

Crop Shifting Spurs Peru's Sugar Output

A crop shifting program in Peru has proved beneficial to production of sugar—a crop highly important to the Peruvian economy as a foreign exchange earner.

Currently sugarcane acreage in that country amounts to about 185,000 acres compared with 170,000 in 1962-63. This increase has been largely due to the fact that the Agrarian Reform Project Law, which provides for shifting of the acreage of certain crops, exempts from redistribution land planted to sugarcane, including sugar haciendas not producing sugar.

Peru expects to have about 562,000 short tons of sugar available for export in 1964, of which 225,000 tons are committed to the United States. Of these U.S. commitments, 192,152 tons are under the basic quota, with the remainder under the global quota.

U.S. Tobacco Exports Rise in 1963

U.S. exports of unmanufactured tobacco in calendar 1963, at 505.5 million pounds (export weight) were 7.8 percent above those for 1962, and in value they rose 8 percent, to $403.1 million. The gain in exports reflected an improvement in the quality of the 1963 flue-cured crop over that for 1962 and some replenishment of stock in several foreign markets.

Most of the gain was in exports of flue-cured tobacco, which rose from 375.4 million pounds in 1962 to 403.4 million last year. Exports of burley were up 10.9 percent and those of Virginia fire-cured, 12.8 percent.

On the other hand, there was a sharp drop in exports of Kentucky-Tennessee fire-cured, which totaled only 14.2 million in 1963, compared with 17.3 million in 1962. Exports of Maryland were down a little—10.7 million

compared with 10.9 million, but those of Black Fat rose, from 3.7 million pounds in 1962 to 4.2 million.

Exports of tobacco products in calendar 1963 were valued at $119.6 million, up 1.7 percent from 1962's $117.6 million. Cigarette exports totaled 23.6 billion pieces in 1963—a decrease of 2 percent. Shipments of cigars and cheroots were 33.4 million pieces, compared with 20.4 million in 1962 smoking tobacco in bulk, 9.8 million pounds compared with 8.6 million; and smoking tobacco in packages, 875,000 pounds, compared with 580,000. Chewing and snuff exports fell from 627,000 to 462,000.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, DECEMBER 1963 WITH COMPARISONS

(Export weight)

Kind	December		January-December		Change
	1962	1963	1962	1963	from 1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	41,006	46,744	375,398	403,437	+ 7.5
Burley	3,708	4,071	40,120	44,497	+ 10.9
Dark-fired Ky.-Tenn.	4,055	912	17,269	14,172	— 17.9
Va. fire-cured [1]	302	141	4,649	5,243	+ 12.8
Maryland	982	1,426	10,930	10,744	— 1.7
Green River	5	5	636	582	— 8.5
One Sucker	235	17	532	473	— 11.1
Black Fat, etc.	250	564	3,656	4,210	+ 15.2
Cigar wrapper	389	119	4,754	4,606	— 3.1
Cigar binder	84	13	859	797	— 7.2
Cigar filler	—	74	69	425	+515.9
Other	1,572	2,284	10,006	16,298	+ 62.9
Total	52,588	56,370	468,878	505,484	+ 7.8
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	42.6	45.6	373.4	403.1	+ 8.0

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS, DECEMBER 1963, WITH COMPARISONS

Product	December		January-December		Change
	1962	1963	1962	1963	from 1962
Cigars and cheroots					*Percent*
1,000 pieces	2,742	1,581	20,406	33,443	+63.9
Cigarettes					
Million pieces	2,451	1,964	24,080	23,609	— 2.0
Chewing and snuff					
1,000 pounds	32	29	627	462	—26.3
Smoking tobacco in pkgs.					
1,000 pounds	90	73	580	875	+50.9
Smoking tobacco in bulk					
1,000 pounds	1,032	512	8,632	9,848	+14.1
Total declared value					
Million dollars	12.0	9.7	117.6	119.6	+ 1.7

Bureau of the Census.

India Exports More Tobacco to Soviet Bloc

India's exports of unmanufactured tobacco to Soviet Bloc countries during the first 10 months of 1963 totaled 58.7 million pounds—up 8.2 percent from the 54.2 million shipped to that area during the same period in 1962. Larger shipments to the USSR and Czechoslovakia more than offset smaller exports to Hungary, East Germany, and Poland.

Exports of all kinds of Indian tobaccos to the USSR totaled 18.7 million pounds, compared with 14.9 million during January-October 1962. Shipments to other Bloc countries, with comparisons for the first 10 months of 1962 in parentheses, included 300,000 pounds to Czechoslovakia (100,000), 500,000 to Hungary (1.2 million), 1.9 million to East Germany (2.7 million), and 5.2 million to Poland (5.7 million).

Exports of flue-cured tobacco to these countries totaled 41.4 million pounds and represented 70 percent of all tobacco shipments to the Bloc. Flue-cured exports to the USSR rose to 15.1 million pounds from 13.6 million in January-October 1962. Exports to Czechoslovakia were also up, while those to East Germany, Poland, and Hungary were down.

Average export prices paid per pound for Indian flue-cured tobacco by Bloc countries (comparisons for 1962 period in parentheses), in terms of U.S. equivalents, were as follows: The USSR, 25.1 cents (20.8); Czechoslovakia, 47.5 (55.0); East Germany, 36.3 (30.9); Hungary, 13.4 (1.6); and Poland, 22.9 (9.7).

India's exports of all kinds of unmanufactured tobacco to all destinations during the first 10 months of 1963 totaled 141.8 million pounds, compared with 125.6 million for the same period in 1962. Flue-cured shipments, at 109.5 million pounds, also increased slightly from the 107.7 million in January-October 1962. The average export price of all flue-cured shipments was equivalent to 36.8 U.S. cents per pound, or 15 percent more than the 31.9 cents for January-October 1962.

Tobacco Sales Up in Honduras

Sales of tobacco products in Honduras continued upward through the year ending September 30, 1963. Cigarette sales reached 1,198 million pieces—8.5 percent above the 1,104 million sold in the previous year. Consumption of cigars, mostly homemade, totaled 1.1 million pounds, compared with 1.0 million.

Filter-tip cigarettes are reportedly gaining in popularity and now represent about 7 percent of total cigarette sales. Also, in November 1963, a new king-size filter-tip brand, "Belmont," was introduced. This brand retails for the equivalent of 20 U.S. cents per pack with sales greatly exceeding earlier expectations. Current plans for this brand include national distribution by early February.

Malayan Cigarette Output Rises

Cigarette output in the Federation of Malaya during the first half of 1963 totaled 6.4 million pounds—up 17.6 percent from the 5.4 million produced in the same period of 1962. Production of cigars and cheroots was down 5.8 percent to 785,000 pounds from 833,000, and that of smoking mixtures fell slightly from the 1,057,000-pound level for the same 1962 period.

Usings of leaf tobacco by manufacturers during January-June 1963 totaled 8.9 million pounds, compared with 7.5 million. Foreign leaf represented 64.4 percent of total usings and domestic leaf, the remainder.

U.S. Cotton Exports Continue Strong

U.S. exports of all types of cotton amounted to 2,149,000 running bales in the first 5 months (August-December) of the current season. Shipments were up sharply from the 1,140,000 bales exported in the same period of 1962-63 and were 18 percent above average shipments of 1,821,000 running bales in the first 5 months of the previous 5 seasons. Exports in December were 628,000 bales, compared with 501,000 in November and 383,000 in December 1962.

Sales for export in the 1963-64 season under the com-

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petitive bid sales program totaled 3,909,478 bales through February 4, 1964. Registrations under the 1963-64 payment-in-kind export program were 14,255 bales through February 7, 1964.

COTTON: U.S. EXPORTS BY COUNTRY OF DESTINATION AUGUST-DECEMBER 1963-64 WITH COMPARISONS

Destination	Year beginning August 1				
	Average 1955-59	1961	1962	August-December 1962	August-December 1963
	1,000 running bales	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*
Austria	33	33	13	4	6
Belgium-Lux.	160	100	72	30	55
Denmark	17	13	13	6	5
Finland	22	21	13	4	5
France	360	300	180	69	150
Germany, West	475	204	101	35	194
Italy	416	376	192	112	173
Netherlands	124	106	71	29	53
Norway	10	13	10	4	5
Poland & Danzig	85	139	62	7	46
Portugal	28	18	7	3	8
Spain	171	155	(1)	(1)	2
Sweden	75	99	56	20	33
Switzerland	64	75	37	20	48
United Kingdom	525	270	139	64	113
Yugoslavia	108	175	113	11	4
Other Europe	17	9	3	1	2
Total Europe	2,690	2,106	1,082	419	902
Australia	54	64	41	14	38
Canada	217	397	271	96	155
Chile	35	12	24	(1)	1
Colombia	33	1	1	(1)	4
Cuba	27	0	0	0	0
Ethiopia	4	13	15	7	4
Hong Kong	134	104	79	19	56
India	184	215	198	45	119
Indonesia	30	46	51	27	18
Israel	16	10	7	2	2
Japan	1,154	1,028	895	274	524
Korea, Rep. of	205	300	236	88	137
Morocco	10	14	8	5	6
Pakistan	14	39	8	(1)	(1)
Philippines	64	142	108	44	44
South Africa, Rep. of	26	52	19	6	13
Taiwan (Formosa)	153	256	223	59	59
Thailand	4	30	22	10	19
Uruguay	15	11	0	0	(1)
Venezuela	2	16	5	1	7
Vietnam [2]	2	30	36	20	33
Other countries	27	27	22	4	8
Total	5,100	4,913	3,351	1,140	2,149

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

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